

## Message Text

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41

ORIGIN AF-08

INFO OCT-01 ISO-00 ONY-00 /009 R

DRAFTED BY AF/E:PGSMITH:JJ

APPROVED BY AF:DBBOLEN

AF/EPS:RDUNCAN (DRAFT)

AF/E:RSPOST

DESIRED DISTRIBUTION

AF ONLY

----- 091342

R 231908Z NOV 76

FM SECSTATE WASHDC

TO AMEMBASSY LUSAKA

C O N F I D E N T I A L STATE 287130

STADIS//////////

LIMDIS

E.O. 11652: GDS

TAGS: EAID, ZA, US

SUBJECT: ADDITIONAL SECURITY SUPPORTING ASSISTANCE FOR  
ZAMBIA

1. DEPARTMENT IS CURRENTLY CONSIDERING NEED FOR ADDITIONAL  
SECURITY SUPPORTING ASSISTANCE (SSA) FOR ZAMBIA IN FY 77.  
WE HAVE BEEN TOLD BY OMB THAT REQUEST CANNOT BE JUSTIFIED  
SOLELY AS REPRESENTING RESTORATION OF AMOUNTS CUT FROM  
ORIGINAL SSA REQUEST FOR FY 77, BUT MUST BE INDEPENDENTLY  
JUSTIFIED, BOTH IN TERMS OF LEVEL AND AS TO INTENDED  
UTILIZATION.

2. OUR INITIAL VIEW IS THAT A REQUEST FOR AT LEAST \$20  
MILLION IN SUPPLEMENTAL FY 77 SSA FOR ZAMBIA CAN BE  
JUSTIFIED ON BASIS OF \$35 MILLION INCREASE IN 1976 PRO-  
JECTED BALANCE OF PAYMENTS GAP TO BETWEEN \$80 AND \$100  
MILLION, DUE TO RECENT DROP IN LME COPPER PRICES (FYI WE  
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ARE NOW USING CY 76 AVERAGE OF 63.7 CENTS VICE 67 CENTS

ANNUAL AVERAGE FORECAST EARLIER THIS YEAR).

3. DEPARTMENT IS ALSO ASSUMING THAT ANY SUPPLEMENTAL SSA FOR ZAMBIA WOULD BEST BE DISBURSED AS A SECOND FY 77 PROGRAM LOAN. AS IN CASE OF FIRST SSA REQUEST, RATIONALE

WOULD BE THAT MOST PRESSING ZAMBIAN NEED IS FOR BALANCE OF PAYMENTS HELP IN THE SHORT TERM, AND THAT PROGRAM LOAN OFFERS BEST PROSPECT OF BRINGING AVAILABLE RESOURCES TO BEAR SO AS TO ENHANCE PROSPECTS FOR ZAMBIAN ECONOMIC AND POLITICAL STABILITY.

4. IN INFORMAL DISCUSSIONS WITH AID, WE HAVE BEEN ASKED WHETHER ANY SECOND LOAN MIGHT BE SPECIFICALLY TARGETED TO ASSIST PRIVATE SECTOR, WHICH HAS BEEN LEFT OUT IN FIRST LOAN.

5. ACTION REQUESTED: WOULD APPRECIATE POST COMMENTS, ESPECIALLY ON ASSUMPTION PARA 3 AND QUERY PARA 4, NO LATER THAN NOVEMBER 29, BY CABLE SLUGGED STADIS, AF ONLY. KISSINGER

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## Message Attributes

**Automatic Decaptoning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SECURITY, FOREIGN ASSISTANCE, BALANCE OF PAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 NOV 1976  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE287130  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** PGSMITH:JJ  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760436-0295  
**From:** STATE  
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**Image Path:**  
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**Legacy Key:** link1976/newtext/t19761121/aaaaardt.tel  
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**Office:** ORIGIN AF  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** ONLY  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** ONLY  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
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**Review History:** RELEASED <07 JUL 2004 by MartinML>; APPROVED <08 JUL 2004 by GolinoFR>  
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Margaret P. Grafeld  
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**TAGS:** EAID, ZA, US  
**To:** LUSAKA  
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